

Rio Tinto

Kennecott Utah Copper Corporation
Smelter Environmental Control Center
11500 West 2100 South
Magna, UT 84044
801.569.7427

M0450004

Leslie

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Mr. Paul Baker, Minerals Program Manager
Division of Oil, Gas & Mining
Utah Department of Natural Resources
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

January 30, 2009

Dear Mr. Baker:

Subject: Large Mining Operations 2008 Progress Report
January 1, 2008 to December 31, 2008
M/045/004
Pine Canyon

Please find attached Form MR-AR for permit number M/045/004, Pine Canyon.

Updated drawings are included with this annual report.

Also, please find the initial KUCC document *UDOGM Annual Reporting Register* which was presented and discussed at our meeting in December 2008. While this document is still being refined, we believe it will be a helpful tool for both KUCC and the Division to provide, at a glance, the status of all current permits. KUCC looks forward to working with the Division to further develop this tool.

If you have any questions about these annual reports, please contact me at 801.569.7427 or Glenn Eurick at 801.204.2113.

Sincerely,



Chris Kaiser
Principal Advisor, Environmental Operations Support

C: Dana Dean (UDOGM)

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DIV. OF OIL, GAS & MINING

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
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LARGE MINING OPERATIONS 2008 PROGRESS REPORT
January 1, 2008 to December 31, 2008

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

1. Mine Permit Number: *M/035/004*
2. Mine Name: *Pine Canyon Reclamation*
3. Name of Operator/Permittee: *Kennecott Utah Copper Corporation (KUCC)*
Note: If Operator's address, company representative or phone number have changed, please provide a replacement page for the Notice of Intention.

4. Mine Location:
S1/2 SW1/4, Section 17;
N1/2 NW1/4, W1/2 NE1/4, SE1/4 NE1/4, E1/2 SE1/4 Section 20;
SW1/4 SW1/4, Section 21;
W1/4 NW1/4, Section 28;
NE1/4 NE1/4, Section 29;
Township 3 South, Range 3 West

5. Report the gross amount of ore mined and waste moved, and the disposition of the materials (onsite stockpiles, sold, waste pile, regraded, etc.):

Gross Ore Mined	0	Tons
Waste Material Moved	0	Tons
New Disturbance	0	Acres during 2008
Area Reclaimed	0	Acres during 2008
Total Disturbed Area	17.3	Acres*

*Total mine disturbance from the beginning of mining operations through the end of 2008.

Was the ore shipped off site? If not, where is the ore located?

*No ore was generated or shipped off site. The mine was last active in 1983.
Kennecott Utah Copper Corporation purchased the inactive property from the
Anaconda Minerals Company in 1985.*

Where is the waste located?

All waste (i.e. waste rock) is located on site.

6. Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. (Submit form MR-SITE for an application for full or partial bond/site release).

No reclamation work was performed during the past year. The only disturbed acreage remaining in Pine Canyon are those sites identified in the 1988 reclamation plan that were left in place for long term use and cover an area of approximately 17.3 acres. These sites include the Pine Canyon tunnel portal, concrete flume, production shaft head frame, service shaft, access road, warehouse shop, culinary water system with water supply wells, power line to wells, fresh water tank and a small waste rock pile adjacent to the head frame which was left un-reclaimed due to the steep grade.

Water is pumped out of the Carr Fork Service Shaft and piped through the Pine Canyon/Parvenu Tunnel to the Bingham Canyon Mine where it is managed through established water collection systems. The water is being removed as part of the general pit dewatering program at the Bingham Canyon Mine and for use as process water at the Copperton Concentrator. The only other work was general systems maintenance on electrical and pumping equipment.

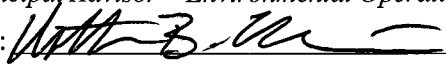
7. **Include an updated map depicting surface disturbance and reclamation performed during the year**, prepared in accordance with Rule R647-4-105.

Although there have been no significant changes since 1988, a drawing showing the remaining Pine Canyon facilities is attached (Drawing 454-T-0235, replaces Drawing 454-T-0229).

I hereby certify, under penalties of law, the information provided in this report is true and correct to the best of my knowledge and belief.

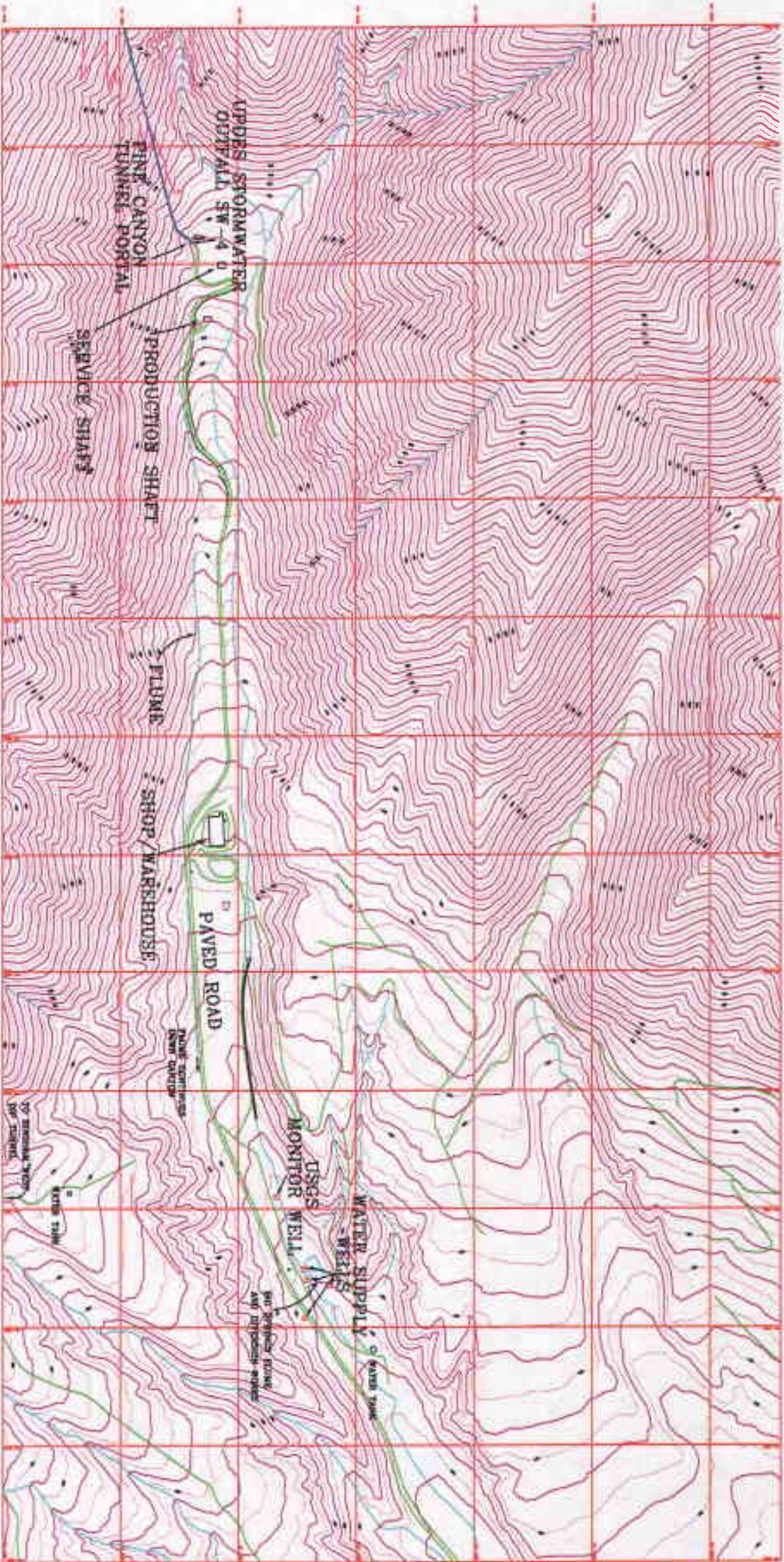
Name (Typed or Print): *Chris Kaiser*

Title of Operator: *Principal Advisor – Environmental Operation Support*

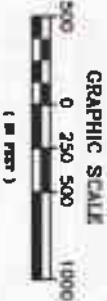
Signature of Operator: 

Date: January 29, 2009

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PRODUCTION WELL
APPROXIMATE LOCATION



STRATEGIC RESOURCES GROUP		KENNECOTT UTAH COPPER	
SCALE 1"=500'	DATE	PINE CANYON REMAINING FACILITIES	
DESIGNED BY	DATE		
CHECKED BY	DATE		
APPROVED BY	DATE		
JOB NO.	DESIGN NO.	454-T-0235	REV.

2008

M&RP	PLANT	AREA / PROJECT	Planned						Additional					
			BAT	Experimental	Demolition	Status	% Complete	\$ Estimated	BAT	Experimental	Demolition	Status	% Complete	\$ Estimated
M/035/002	Bingham Canyon	Lower Bingham Canyon waste rock disposal area- Lower \$590 section	(1) re-grading and cross tipping on the bottom half of the \$590 foot elevation @ 60 acres (2) placement of grown media that was salvaged in the fall of 2007 (3) outer face will be covered with an average of 2 feet of growth media to achieve a nominal depth of 18-36 inches (4) seeding @ 16 acres (5) planting of 4000 two-year old seedlings @ 18 acres			(1) 16 acres of 60 acres completed (2)&(3) Growth media placement completed (4) Completed seeding (5) Planted 2000 / wintering 2000 Gamble Oak & Curl Leaf Mountain Mahogany @ ~40/acre each species w/each seedling inoculated with mycorrhizae (vesicular-arbuscular)	(1) 27% (2) 100% (3) 100% (4) 100% (5) 50%	(1) \$501,934.00* (2) * (3) * (4) \$4510.49 (5) \$13550.00						
M/035/002	Bingham Canyon	Lower Bingham Canyon waste rock disposal area- Upper \$190 section	(1) complete salvage of growth media (2) re-grade @ 275:1 (3) place growth media (4) seed			(1) Completed (2) To continue once soil stockpile relocated to lower half of \$590 area (3) Suspended (4) To be completed 2009	(1) 100% (2) 50% (3) 15% (4) 0%	(1) * (2) * (3) * (4) \$0						
M/035/002	Bingham Canyon	Lower Bingham Canyon waste rock disposal area- Upper \$190 section	(1) initiate re-grading at 2:1 slope (2) place growth media (3) vegetate			(1) Postponed until 2009 (2) Postponed until 2009 (3) Postponed until 2009	(1) 0% (2) 0% (3) 0%	(1) \$0 (2) \$0 (3) \$0						
M/035/002	Bingham Canyon	Store and release cover	(1) complete design modeling (2) conduct field trials of the various designs			(1) Complete in 2009 Additional field sampling of potential cover material sources required to complete modeling (2) initiate field trials in 2009	(1) 75% (2) 0%	(1) \$45,000						
M/035/002	Bingham Canyon	Arthur Concentrator			(1) material demolition and removal (2) clean borrow placement (3) re-grading and revegetating		(1) 100% (2) 100% (3) 100%	(1) (2) (3)						
M/035/002	Bingham Canyon	Bonneville Crusher			(1) Vegetate remaining @ 50 acres of 65 acre site	(1) Complete @ 45 acres grasses @ 5 acres shrubs	(1) 100%	(1)						
M/035/002	Bingham Canyon	E1 & W1 Pump Stations			(1) demolition (2) removal (3) re-grading (4) revegetating	(1)-(4) Initiation of work scheduled for 2009 / Work in 2008 suspended due to access & budgeting constraints	(1) 0% (2) 0% (3) 0% (4) 0%	(1) (2) (3) (4)						
M/035/002	Bingham Canyon	North (Magna) Concentrator			(1) Vegetate @ 16.2 acres grasses @ 1.8 acres shrubs	(1) 16 acres seeded in Q4 of 2007 but not reported until 2008	(1) 100%	(1)						

	Bingham Canyon	Preservation Pituit		(1) Complete final re- grading (2) complete seeding @ 20 acres	(1) Essentially complete (2) Essentially complete @ 17 acres @ 3 acres shrubs	(1) 55% (2) 55%	(1) (2)		(1) Third-party review of soil characteristics of Bingham Canyon growth media	(1) Third-party test plot monitoring for seeding success & technical review							(1) \$ 3,310
MO35/002	Bingham Canyon	Growth media															
MO35/002	Bingham Canyon	Test plots															(1) \$10,000
MO35/002	South Tailing	Entire	(1) Initial drill seeding @ 100 acres		(1) 114 acres completed	(1) 124%											
MO35/002	South Tailing	Entire	(1) Supplemental drill seeding @ 300 acres		(1) 203 acres	(1) 58%											
MO35/002	South Tailing	Entire	(1) Minor contouring & leveling as required		(1) Complete	(1) 100%											
MO35/002	South Tailing	Entire	(1) Graded limestone application for hydroover seeding @ 100 acres		(1) 0	(1) 0%											
MO35/002	South Tailing	Entire	(1) Limestone diking to 0' for hydroover seeding @ 100 acres		(1) 0	(1) 0%											
MO35/002	South Tailing	Entire	(1) Bio-solids (woodchip) application @ 150 acres		(1) 56 acres	(1) 54%											
MO35/009	Barnes Canyon																(1) Interval cost not accounted for
MO35/009	Barnes Canyon																(1) \$10,000
MO35/011	Concentrator		(1) 0		(1) 0												
MO35/015	North Tailing	Entire	(1) Initial drill seeding @ 100 acres		(1) 34 acres	(1) 24%											
MO35/015	North Tailing	Entire	(1) Supplemental drill seeding @ 350 acres		(1) 50 acres	(1) 15%											
MO35/015	North Tailing	Entire	(1) Bio-solids (woodchip) application @ 150 acres		(1) 0 acres	(1) 0%											
MO35/019	North Tailing	Entire	(1) Spray application of hydrated lime @ 10 acres		(1) 0	(1) 0											
MO35/004	Pine Canyon		(1) 0		(1) 0												
2008/02/27 Board Presentation under 2008/04/21 Reclamation Activities Plan																	
Expend a minimum average of \$50,000 -- 100,000 dollars per year for each three year period, in maintaining a program of revegetation and in the application of BAT toward rehabilitation of land																	
Information incorporated GHD reclamation activities assessment																	